NOVA SCOTIA

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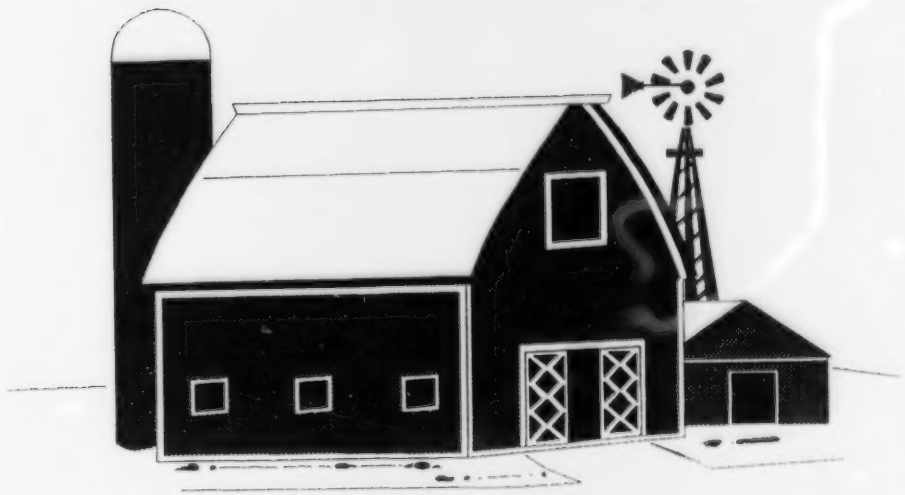
1995 Nova Scotia Farm Management Analysis Project



Farm Business Management & Economics Section
Nova Scotia Department of Agriculture and Marketing

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NOVA SCOTIA FARM MANAGEMENT ANALYSIS PROJECT

The Nova Scotia Farm Management Analysis Project, or **FMAP**, is designed to assist Nova Scotia farm managers develop their business management knowledge and skills.

FMAP provides farm managers with a farm planning tool from which data is gathered. The compiled data gives a comparative analysis with similar farm businesses as well as a complete financial and production summary of their own business. A year-to-year analysis of business performance improves the farm manager's ability to recognize and react to opportunities resulting from change.

In 1995, 170 individual farm businesses participated in the Farm Management Analysis Project. Participants ranged from smaller part-time businesses to large multi enterprise farms.

At present, the FMAP is available to all Nova Scotia dairy, beef, hog, mink and tree fruit producers.

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Formulas Used To Calculate Financial Analysis

1. **Liquidity**

Current Ratio = Current Assets ÷ Current Liabilities

- The current ratio measures the business' ability to meet financial obligations as they come due without disrupting normal operations.
- If the ratio is greater than 1, the business is considered to be liquid. A ratio of less than 1 may indicate a potential liquidity problem.

Working Capital = Current Assets - Current Liabilities

- Working capital is the cash available to the business to meet financial obligations as they come due without disrupting normal operations.

2. **Solvency**

Percent Equity = Owner's Equity ÷ Total Assets x 100%

- Percent Equity is a measure of the owner's equity in the business. It measures the proportion of total assets financed by the owner of the business. A higher percentage indicates lower financial risk.

Debt to Equity = Total Liabilities + Owner's Equity

- The debt to equity ratio is a measure of the extent to which creditors have financed the business compared to the owners. The higher the value of the ratio, the greater the proportion of financing that has been provided by creditors.

3. **Profitability**

Return on Assets = (Net Income + Interest - Value of Operator and Unpaid Family Labour) x 10 ÷ Average Total Assets for the Period.

- Return on assets shows the business' ability to earn a return on its total assets. The higher the value, the greater the return on assets. The value of operator and unpaid family labour reflects the value in the local marketplace for similar work. This was assumed to be $8.hr.

Return on Equity = (Net Income - Value of Operator and Unpaid Family Labour) x 100% ÷ Average Owner Equity.

- Return on equity provides a measure of the return to the owner on his/her investment in the business. The higher the percentage, the greater the return on equity.

Capital Turnover = Revenue ÷ Total Assets

- This ratio indicates the extent to which a business utilizes its assets to generate revenue. A high ratio indicates efficient use of assets.

4. **Financial Efficiency**

Contribution Margin = Contribution Margin x 100% ÷ Revenue

The contribution margin percentage measures the financial efficiency of the business in terms of funds generated directly from operations. The higher the ratio, the more efficient the business.

Capital Replacement, Personal Exemption & Debt Servicing Margin = Net Income + Interest on Term Debt + Depreciation

This amount represents the dollars generated from operations that are viable to cover capital replacement, withdrawals for personal living expenses, and to make annual payments on all debt.

Dairy Farm Business Management Analysis

Income Statement

	Total	Per Cow	Per HL
REVENUE			
Milk Sales	238,327	4,151	56.84
Milk Subsidies	7,320	127	1.75
Milk Premium	112	2	0.03
Livestock Sales	19,372	337	4.62
Crop Sales	3,589	63	0.86
Miscellaneous	17,724	309	4.23
Inventory Change Adjustment	4,180	73	1.00
TOTAL REVENUE	$290,622	$5,062	$69.31
VARIABLE EXPENSES			
Milk Hauling	9,046	158	2.16
Feed & Supplements	50,297	876	11.99
Livestock Purchases	4,227	74	1.01
Vet and Medicine	4,147	72	0.99
Crop Expense	17,437	304	4.16
Breeding	4,426	77	1.06
Dairy Supplies & Services	7,465	130	1.78
Milk Marketing Costs	12,312	214	2.94
Truck & Auto Expense	4,433	77	1.06
Custom Work	4,471	78	1.07
Hired Labour	26,784	467	6.39
Tractor & Machinery Repairs	13,335	232	3.18
Building & Fence Repairs	5,381	94	1.28
Utilities	6,677	116	1.59
Miscellaneous	4,904	85	1.17
TOTAL VARIABLE EXPENSES	$175,341	$3,054	$41.82
CONTRIBUTION MARGIN	$115,281	$2,008	$27.49
FIXED EXPENSES			
Rentals & Leases	3,355	58	0.80
Insurance & Taxes	6,543	114	1.56
Interest	24,754	431	5.90
Depreciation	27,581	480	6.58
TOTAL FIXED EXPENSES	$62,234	$1,084	$14.84
NET INCOME (LOSS)	$53,047	$924	$12.65

Balance Sheet

	1995
CURRENT ASSETS	
Cash	762
Accounts Receivable	8,333
Inventory (Note 1)	
Livestock	96,875
Crops and Supplies	26,134
TOTAL CURRENT ASSETS	$132,1032
LONG TERM ASSETS	
Machinery & Equipment (Note 2)	79,439
Land & Buildings (Note 2)	173,656
Milk Quota	170,620
Co-op Dairy Investment	43,456
TOTAL LONG TERM ASSETS	$467,171
TOTAL ASSETS	$599,274
LIABILITIES AND OWNER'S EQUITY	
CURRENT LIABILITIES	$30,326
LONG TERM LIABILITIES	290,197
TOTAL LIABILITIES	$320,522
OWNER'S EQUITY	$278,752
TOTAL LIABILITIES AND OWNER'S EQUITY	$599,274

		Per Cow	Per HL
Total Assets	($)	10438	143
Total Liabilities	($)	5583	76
Fixed Expenses as % of Total Cost	(%)	26	26
Variable Expenses as % of Total Cost	(%)	74	74

(1) Livestock inventory includes all breeding stock, market livestock and animals retained for replacements. Crops and supplies inventory includes all feed, fertilizer and supplies. Inventory values are based on an estimate of Fair Market.

(2) Land is valued at its original cost. All depreciable assets are valued at cost less accumulated depreciation or book value. The book values are taken from the Capital Cost Allowance (CCA) schedules in the income tax returns.

Financial Analysis

Financial Measure		1995
1. Liquidity:		
Current Ratio		4.4
Working Capital	($)	101,777
2. Solvency:		
Percent Equity	(%)	47
Debt to Equity Ratio	(%)	1.1
3. Profitability		
Return on Assets	(%)	8.2
Return on Equity	(%)	9.8
Capital Turnover	(Times/Yr)	0.5
4. Financial Efficiency		
Interest as % of Revenue	(%)	9
Contribution Margin	(%)	40
Capital Replace., Personal Exp. & Debt Servicing Margin	($)	102,272

Production Management

(A) Milk Production					
Cash Expense	($)	209993	Milk Receipts	($)	245758
Depreciation	($)	27581	Net Return	($)	8887
Inventory Change	($)	(4180)			
Interest on Equity (1)	($)	13938	Average # of Cows	(hd)	57
Unpaid Family Labour	($)	3541	Milk Sold per Farm	(HL)	4193
Operator Labour (2)	($)	26681	Milk Sold per Cow	(L)	7304
Less:					
Sales (Excl. Milk)	($)	40684			
Net Cost of Producing Milk	($)	236871	Net Cost pr HL of Milk	($/HL)	56.49
(B) Production Analysis				**Per Cow**	**Per HL**
Feed Expense		($)		876	11.99
Crop Expense		($)		304	4.16
Machinery Expense (Excl. Depreciation)		($)		232	3.18
Total Feed & Crop Expense		($)		1412	19.33
Total Feedstuffs Used		(Kg)		3736	51
Total Concentrate		(Kg)		1415	1.9
(C)Labour Analysis					
Hired Labour		(PE's)		0.8	
Unpaid Family Labour		(PE's)		0.2	
Number of Operators (3)		(PE's)		1.3	
Total Labour Units		(PE's)		2.3	
Hired Labour Expense		($/hr)		12.46	
Total Hired Labour Expenses		($)		26784	
Cows Per P.E.		(hd)		25	
Milk Sold per P.E.		(HL/P.E.)		1850	

(1) Interest on equity is assumed to be 5%.

(2) A standard figure of $21,000. for one P.E. per year is used.

(3) One P.E. (Person Equivalent) is equal to 2600 hours of labour per year, i.e. 50 hours per week times 52 weeks per year. One operator was assumed to be equal to one person equivalent.

Management Factors		Average 8 Farms >100 Cows	Average 20 Farms 61 -100 Cows	Average 42 Farms 40 - 60 Cows	Average 23 Farms <40 Cows	Average 95 Farms
Cows Per Farm	(#)	132	74	50	32	57
Milk Sold Per Farm	(HL)	10,254	5,329	3,583	2,319	4,193
Milk Sold Per Cow	(L)	7,753	7,175	7,231	7,139	7,304
Milk Sold per Cow	($)	4,611	4,129	4,217	4,295	4,281
Purchased Feed Per Cow	($)	919	873	860	866	876
Purchased Feed Per HL Milk Sold	($)	11.86	12.17	11.90	12.14	11.99
Crop Expenses/HL Milk Sold	($)	4.60	3.91	4.05	4.28	4.16
Machinery Expense/HL Milk Sold	($)	3.21	3.24	3.03	3.44	3.18
Total Feed & Crop Expense Per HL	($)	19.67	19.32	18.98	19.85	19.33
Hired Labour - Person Equivalents	(#)	2.1	1.1	0.7	0.5	0.8
Operator & Family Labour - Person		2.2	1.6	1.3	1.3	1.4
Milk Sold/Person Equivalents	(L)	2,383	1,981	1,823	1,308	1,850
Cows/Person Equivvalents	(#)	31	28	25	18	25
Total Farm Income	($)	740,953	358,645	243,259	168,684	290,622
Total Farm Expense	($)	566,174	300,933	202,906	137,358	237,575
Net Farm Income	($)	174,779	57,712	40,353	31,326	53,047
Total Farm Income in $/HL	($)	72.26	67.29	67.89	72.75	69.31
Total Farm Expense in $/HL	($)	55.22	56.47	56.62	59.24	56.66
Net Farm Income in $/HL	($)	17.05	10.83	11.26	13.51	12.65
Net Farm Income as % Of Sales	(%)	23.6	16.1	16.6	18.6	18.3
Variable Cost as % of Total Sales	(%)					
Fixed Cost as % of Total Sales	(%)	58.1	62.0	61.0	59.1	60.3
		18.3	21.9	22.4	22.3	21.4
Total Assets	($)					
Total Liabilities	($)	1,338,193	755,757	532,455	342,284	599,274
Total Equity	($)	457,314	427,308	311,201	202,638	320,522
Equity in Farm Business	(%)	880,878	328,449	221,254	139,647	278,752
Return on Equity	(%)	65.8%	43.5%	41.6%	40.8%	46.5%
Return on Assets	(%)	15.79	8.48	7.92	5.12	9.78
Capital Turnover	(YRS)	12.16	8.14	7.26	6.05	8.24
		0.6	0.5	0.5	0.5	0.5
Total Assets Per HL	($)					
Liabilities Per HL	($)	131	142	149	148	143
		45	80	87	87	76
Operating Expense Ratio	(%)					
Operating Profit Margin Ratio	(%)	61.5%	65.3%	64.2%	63.0%	63.7%
Total Liabilities/Gross Revenue		27.3%	26.0%	26.5%	28.2%	26.8%
Cost Control		0.6	1.2	1.3	1.2	1.1
Degree of Leverage		23.6%	16.1%	16.6%	18.6%	18.3%
		2.29	1.73	1.74	1.83	1.85
Working Capital	($)					
Current Assets/Current Liabilities		214,073	138,861	91,744	51,420	101,777
Total Assets/Total Liabilities		3.1	4.0	5.7	4.9	4.4
Debt/Equity		2.9	1.8	1.7	1.7	1.9
		0.5	1.3	1.4	1.5	1.1
Earnings Available for Family Living; Income Taxes; Debt Repayment; New Investment	($)	284,994	124,439	87,046	62,484	105,383

Expense Item		Average 8 Farms >100 Cows	Average 20 Farms 61 - 100 Cows	Average 52 Farms 40 - 60 Cows	Average 23 Farms < 40 Cows	Average 95 Farms
Percent of Total Costs						
Milk Hauling	(%)	3.9	3.8	3.8	3.6	3.8
Feed & Supplements	(%)	21.5	21.5	21.0	20.5	21.2
Livestock Purchases	(%)	0.7	1.7	2.2	2.3	1.8
Vet and Medicine	(%)	1.3	1.6	2.0	1.9	1.7
Crop Expense	(%)	8.3	6.9	7.2	7.2	7.3
Breeding	(%)	1.5	1.6	2.2	1.9	1.9
Dairy Supplies & Services	(%)	2.5	2.8	3.5	3.8	3.1
Milk Marketing Costs	(%)	6.2	5.1	5.0	4.5	5.2
Truck & Auto Expense	(%)	1.2	1.8	2.1	2.3	1.9
Custom Work	(%)	1.9	2.0	2.0	1.3	1.9
Hired Labour	(%)	15.6	11.7	9.3	9.7	11.3
Tractor & Machinery Repairs	(%)	5.8	5.7	5.3	5.8	5.6
Building & Fence Repairs	(%)	1.9	2.0	2.6	2.4	2.3
Utilities	(%)	2.3	2.9	2.9	3.2	2.8
Rentals & Leases	(%)	1.7	1.6	1.0	1.6	1.4
Insurance & Taxes	(%)	2.8	2.4	2.8	3.2	2.8
Interest	(%)	4.8	11.8	11.8	11.8	10.4
Miscellaneous	(%)	1.4	2.6	2.0	2.1	2.1
Depreciation	(%)	14.7	10.4	11.2	10.9	11.6
Total Expenses		100	100	100	100	100
Net Income as % of Expenses	(%)	30.9	19.2	19.9	22.8	22.3
Expense Item						
Milk Hauling	($/HL)	2.15	2.15	2.16	2.16	2.16
Feed & Supplements	($/HL)	11.86	12.17	11.90	12.14	11.99
Livestock Purchases	($/HL)	0.36	0.98	1.25	1.34	1.01
Vet and Medicine	($/HL)	0.69	0.92	1.14	1.14	0.99
Crop Expense	($/HL)	4.60	3.91	4.05	4.28	4.16
Breeding	($/HL)	0.84	0.92	1.24	1.13	1.06
Dairy Supplies & Services	($/HL)	1.36	1.58	1.97	2.25	1.78
Milk Marketing Costs	($/HL)	3.41	2.87	2.83	2.64	2.94
Truck & Auto Expense	($/HL)	0.68	1.03	1.17	1.37	1.06
Custom Work	($/HL)	1.03	1.12	1.15	0.77	1.07
Hired Labour	($/HL)	8.64	6.60	5.27	5.76	6.39
Tractor & Machinery Repairs	($/HL)	3.21	3.24	3.03	3.44	3.18
Building & Fence Repairs	($/HL)	1.05	1.14	1.45	1.44	1.28
Utilities	($/HL)	1.29	1.61	1.64	1.87	1.59
Rentals & Leases	($/HL)	0.94	0.91	0.59	0.95	0.80
Insurance & Taxes	($/HL)	1.55	1.33	1.61	1.87	1.56
Interest	($/HL)	2.65	6.67	6.71	7.00	5.90
Miscellaneous	($/HL)	0.80	1.47	1.13	1.26	1.17
Depreciation	($/HL)	8.09	5.85	6.32	6.44	6.58
Total Expenses	($/HL)	55.22	56.47	56.62	59.24	56.66
Net Income	($/HL)	17.05	10.83	11.26	13.51	12.65

Expense Item		Average 8 Farms >100 Cows	Average 20 Farms 61 - 100 Cows	Average 52 Farms 40 - 60 Cows	Average 23 Farms <40 Cows	Average 95 Farms
Variable Expenses						
Milk Hauling	($)	22,076	11,446	7,758	5,009	9,046
Feed & Supplements	($)	121,563	64,851	42,635	28,142	50,297
Livestock Purchases	($)	3,701	5,228	4,490	3,096	4,227
Vet and Medicine	($)	7,108	4,877	4,096	2,642	4,147
Crop Expense	($)	47,199	20,853	14,511	9,913	17,437
Breeding	($)	8,599	4,877	4,447	2,623	4,426
Dairy Supplies & Services	($)	13,948	8,419	7,069	5,221	7,465
Milk Marketing Costs	($)	35,003	15,308	10,147	6,130	12,312
Truck & Auto Expense	($)	6,954	5,469	4,183	3,177	4,433
Custom Work	($)	10,608	5,967	4,136	1,778	4,471
Hired Labour	($)	88,550	35,181	18,888	13,345	26,784
Tractor & Machinery Repairs	($)	32,911	17,271	10,855	7,973	13,335
Building & Fence Repairs	($)	10,810	6,057	5,194	3,344	5,381
Utilities	($)	13,211	8,606	5,867	4,342	6,677
Miscellaneous	($)	8,161	7,842	4,032	2,931	4,904
Total Variable Expenses	**($)**	430,402	222,250	148,307	99,666	175,341
Contribution Margin	**($)**	310,551	136,395	94,952	69,018	115,281
Fixed Expenses						
Rentals & Leases	($)	9,683	4,860	2,125	2,196	3,355
Insurance & Taxes	($)	15,875	7,096	5,781	4,338	6,543
Interest	($)	27,212	35,538	24,044	16,219	24,754
Depreciation	($)	83,003	31,189	22,649	14,938	27,581
Total Fixed Expenses	**($)**	135,772	78,683	54,599	37,691	62,234
Net Income	**($)**	174,779	57,712	40,353	31,326	53,047

Swine
Farm Business
Management
Analysis

Farrow to Finish

Income Statement

REVENUE	Head Shipped	Total	Per Sow	Percent of Total Revenue
Market Hogs	2,259	299,724	1,752.77	68.27
Weanlings	846	41,405	242.14	9.43
Gilts - Breeding Stock	98	16,192	94.69	3.69
Boars - Breeding Stock	3	1,056	6.18	0.24
Cull Sows	61	9,247	54.08	2.11
Cull Boars	4	429	2.51	0.10
Other Hogs	6	684	4.00	0.16
TOTAL HOG SALES		368,738	2,156.36	83.99
Provincial Capital Assistance		19,703	115.22	4.49
Hog Enterprise Subsidies		8,697	50.86	1.98
Other Income		13,580	79.42	3.09
TOTAL CURRENT INCOME		410,717	2,401.85	93.55
Value of Inventory Change		28,302	165.51	6.45
TOTAL REVENUE		439,019	2,567.36	100.00
VARIABLE EXPENSES				
Feed Purchased		229,133	1,339.96	52.19
Swine Purchased		11,151	65.21	2.54
Hired Labour		32,099	187.71	7.31
Bedding		412	2.41	0.09
Vet and Drugs		5,331	31.18	1.21
Hog Supplies		3,142	18.38	0.72
Marketing Costs		4,558	26.66	1.04
Utilities		14,520	84.91	3.31
Truck & Machinery*		9,229	53.97	2.10
Auto Expense		5,530	32.34	1.26
Interest - Operating		5,312	31.06	1.21
Professional Fees		1,323	7.73	0.30
Miscellaneous		2,228	13.03	0.51
Other Non-Hog Expenses		2,687	15.72	0.61
TOTAL VARIABLE EXPENSES		326,656	1,910.27	74.41
CONTRIBUTION MARGIN		112,363	657.09	25.59
FIXED EXPENSES				
Leases and Rentals		2,041	11.94	0.46
Building & Equipment Repairs		10,420	60.93	2.37
Depreciation		27,016	157.99	6.15
Interest - Term Loans		19,005	111.14	4.33
Taxes		1,758	10.28	0.40
Insurance		4,560	26.67	1.04
TOTAL FIXED EXPENSES		64,800	367.01	14.76
TOTAL EXPENSES		391,457	2,277.28	89.17
NET FARM INCOME (LOSS)		47,563	290.08	10.83

* Truck and Machinery includes the hog shipping charges.

Balance Sheet

ASSETS	Ending	Beginning
Current Assets		
Cash On Hand	7,302	12,107
Accounts Receivable	8,070	5,954
Inventory		
Production Livestock	91,193	72,478
Feed	18,362	10,736
Other Current Assets	6,521	4,623
TOTAL CURRENT ASSETS	131,448	105,899
Long Term Assets		
Breeding Livestock	50,446	48,484
Machinery & Equipment	121,960	113,589
Buildings	211,168	193,830
Land		
Other Fixed Assets	18,986	20,595.
TOTAL LONG TERM ASSETS	402,560	376,499
TOTAL ASSETS	534,008	482,397
TOTAL LIABILITIES AND OWNERS' EQUITY		
Current Liabilities	76,161	60,073
Long Term Liabilities	260,536	252,679
TOTAL LIABILITIES	336,697	312,752
Beginning Equity	169,646	
+ Net Income	47,563	
- Withdrawal's	(19,897)	
OWNER'S EQUITY	197,311	169,646
TOTAL LIABILITIES AND OWNERS' EQUITY	534,008	482,397

Financial Analysis

Financial Measure	Ending	Beginning
1. **Liquidity:**		
Current Ratio	1.73	1.76
Working Capital	55,287	45,826
2. **Solvency:**		
Percent Equity	36.9%	35.2%
Debt/Equity Ratio	1.71	1.84
Assets per Sow	3,123	
Debt per Sow	1,969	
3. **Profitability:**		
Return on Assets	14.1%	
Return on Equity	25.9%	
Capital Turnover	0.82	
4. **Financial Efficiency**		
Interest as % of Revenue	5.5%	
Contribution Margin		
Term Debt Coverage Ratio	11.7	

Enterprise Analysis
Per Pig Weaned Or Finished

Pigs Transferred or Marketed	Pigs Weaned	Hogs Finished
Farrowing	3,588	
Finishing		2,594
RETURNS BY ENTERPRISE		
Market Value	45.93	124.07
Cull Sales	2.70	
Program Payments		10.95
	48.62	135.02
Change in Hog Inventory	0.99	6.59
	49.62	141.61
COST OF SALES		
Feed	31.52	46.21
Swine Purchased/Transfer Value*	4.05	45.93
TOTAL COST OF SALES	**35.57**	**92.14**
GROSS MARGIN	**14.04**	**49.47**
OPERATING EXPENSES		
Labour - Hired	5.50	4.76
- Unpaid	4.23	3.24
Bedding	0.08	0.05
Vet & Drugs	1.27	0.30
Hog Supplies	0.64	0.33
Marketing Costs	0.00	1.76
Utilities	2.95	1.52
Truck & Machinery Expense	1.10	2.03
Auto Expense	1.01	0.73
Interest - Operating	0.82	0.91
Miscellaneous	0.40	0.31
TOTAL OPERATING EXPENSES	**18.00**	**15.94**
CONTRIBUTION MARGIN	**(3.96)**	**33.53**
FIXED EXPENSES		
Taxes	0.34	0.21
Insurance	0.82	0.63
Leases and Rentals	0.39	0.25
Building & Equipment Repairs	2.00	1.25
Depreciation	5.25	3.16
Interest - Term Loans	3.48	2.52
TOTAL FIXED EXPENSES	**12.28**	**8.02**
TOTAL FARM EXPENSES	**65.85**	**116.10**
NET RETURN TO ENTERPRISES	**(16.24)**	**25.51**

* Estimated market value.

Production Analysis

(A) Cost of Production	Total	Per Sow
Total Farm Expenses	391,457	2,289.22
Plus: Adj. for Livestock Inventory Change	(18,715)	(109.44)
Less: Non Hog Expenses	2,687	15.72
Cull Sales	9,676	56.58
Hog Purchases	826	4.83
Total Costs	359,552	2,118.36
Total Kgs. of Market Hog Equivalents (L.W.)	268,704	
Average Cost of Production (L.W.)	1.34	
Average Cost of Production (D.W.)	1.67	

(B)Inventory Flow	Boars	Sows	Piglets	Production Stock*
Beginning Inventory	9	168	274	1,016
+ Purchases/Births	3	35	4,050	18
+ Transfers In		36		3,605
+ Transfers Out			3,605	36
- Sales	4	61		3,213
- Deaths		5	462	162
- Ending Inventory	9	173	257	1,208
Discrepency	(1)			20

(C) Livestock Production Analysis			
Farrowing Unit			
Pigs Born	4,337		
Pigs Born Alive	4,050	Pigs Weaned	3,605
Still Births (#)	287	Suckling Mortality (#)	462
Still Births (%)	6.6%	Suckling Mortality (%)	11.4%
Breeding Herd Performance		Average # of Boars	8.6
Number of Litters	389	Sows per Boar	19.8
Average Number of Sows	171	Pigs Born per Sow	25.4
Litters per Sow	2.27	Pigs Born Alive per Sow	23.7
Pigs Born Per Litter	11.1	Pigs Weaned per Sow	21.1
Pigs Born Alive/Litter	10.4	Sow Mortality	5
Pigs Weaned/Litter	9.3	Sow Cull Rate	35.7%
Market Equivalents/Sow	19.9		
Weaner & Finishing Unit		**Inventory Discrepency**	
Weaner & Feeder Hog Mortality		Number	20
Number	162	Percent	0.6%
Percent	4.7%		

* Production Stock includes Weaners, Feeders and Breeding Stock.

Management Analysis

(D) Labour		
Labour Person Equivalents	(#)	2.58
Hogs Produced per Person (L.W.)	(Kgs)	104,199
Gross Farm Income per Person	($)	170,245
Sows Kept Per Person*	(#)	66
Total Pigs Produced per Person	(#)	1,320
Net Income per Person - Unpaid	($)	40,350

(E) Feed Usage Analysis	
Sow Ration Fed per Sow & Boar	1,215 Kgs.
Total Feed per Sow	5,117
Feed Cost/100 Kgs. D.W. Hog Produced	$97.39
Feed Conversion - Creep, Starter & Grower	2.39
Feed Conversion - Total Feed (L.W.)	3.20

FARROWING UNIT (PER WEANER PIG TRANSFERRED TO FINISHING OR SOLD)			
	Kgs. Per Head	Dollars Per Head	Cost Per Tonne Fed
Creep	2.71	1.75	645.91
Starter	53.22	16.37	307.51
Sow & Boar Feed	60.86	13.40	220.19
Total Feed per Pig Weaned	116.78	31.52	
FINISHING UNIT (PER HOG MARKETED)			
Starter	(13.01)	(4.00)	307.51
Grower	188.39	50.21	266.51
Total Feed per Finished Hog	175.39	46.21	
TOTAL FEED (FARROW TO FINISH)	292.17	77.91	266.66

* One PE (Person Equivalent) is equal to one full time person for one year.

Market Analysis

(F) Market Analysis		
Ave. L.W. of Market Hogs Sold	(Kgs)	99.77
Average D.W. per Market Hog	(Kgs)	79.81
Average Carcass Grade Index		107.52
Average Market Price For Your Operation		1.69
Market Return per Hog Marketed		134.99
Support Payment for Market Hog		10.27
Total Return per Market Hog		145.26
Weaner Price Received	(Per Weaner)	48.92
Breeding Stock Sale Prices		
Gilts		164.81
Boars		367.30

Swine

Farm Business

Management

Analysis

Finishing

Income Statement

Revenue	Head Shipped	Total	Per Sow	Percent Of Total Revenue
Market Hogs	4,045	537,499	132.63	85.4
Other Hogs	8	848	0.21	0.1
TOTAL HOG SALES		538,347	132.83	85.5
Capital Assistance		32,708	8.07	5.2
Hog Enterprise Subsidies		0.0	0.0	0.0
Freight Assistance, and Pooling Adj.		10,922	2.69	1.7
Other Income		8,524	2.10	1.4
TOTAL CURRENT INCOME		590,501	145.70	93.8
Value of Inventory Change		38,925	9.60	6.2
TOTAL REVENUE		629,425	155.31	100.0
VARIABLE EXPENSES				
Feed Purchased		248,970	61.43	39.6
Swine Purchased		201,301	49.67	32.0
Hired Labour		13,431	3.31	2.1
Bedding		40	0.01	0.0
Vet and Drugs		2,026	0.50	0.3
Hog Supplies		1,035	0.26	0.2
Marketing Costs		10,279	2.54	1.6
Utilities		6,390	1.58	1.0
Truck & Machinery Expense		3,147	0.78	0.5
Auto Expense		3,049	0.75	0.5
Professional Fees		2,266	0.56	0.4
Lease & Rental		5,805	1.43	0.9
Interest - Operating		2,943	0.73	0.5
Miscellaneous		1,859	0.46	0.3
Other Non-Hog Expenses		0.0	0.0	0.0
TOTAL VARIABLE EXPENSES		502,539	124.00	79.8
CONTRIBUTION MARGIN		126,887	31.31	20.2
FIXED EXPENSES				
Building & Equipment Repairs		4,524	1.12	0.7
Depreciation		28,376	7.00	4.5
Interest - Term Loans		22,387	5.52	3.6
Taxes		1,719	0.42	0.3
Insurance		2,923	0.72	0.5
TOTAL FIXED EXPENSES		59,927	14.79	9.5
TOTAL EXPENSES		**562,466**	**138.79**	**89.4**
NET FARM INCOME (LOSS)		66,959	16.52	10.6

* Truck and Machinery includes the hog shipping charges.

Balance Sheet

Assets		Ending	Beginning
Current Assets			
Cash On Hand			173
Accounts Receivable		9,392	23,292
Inventory			
Livestock	$131,222		
Feed	48,355	179,576	140,651
Other Current Assets		7,106	4,316
TOTAL CURRENT ASSETS		196,073	168,432
Long Term Assets			
Machinery & Equipment		81,339	76,918
Land & Buildings		146,968	155,367
Other Fixed Assets		5,782	2,661
TOTAL LONG TERM ASSETS		234,089	234,946
TOTAL ASSETS		430,162	403,377
TOTAL LIABILITIES AND OWNERS' EQUITY			
Current Liabilities		59,847	61,964
Long Term Liabilities		245,756	249,783
TOTAL LIABILITIES		305,603	311,747
Beginning Equity		91,630	
+ Net Income		66,959	
- Withdrawals		(34,030)	
OWNERS' EQUITY		124,560	91,630
TOTAL LIABILITIES AND OWNERS' EQUITY		430,162	403,377

Financial Analysis

Financial Measure	Ending	Beginning
1. **Liquidity:**		
Current Ratio	3.28	2.72
Working Capital	136,226	106,468
2. **Solvency:**		
Percent Equity	29%	23%
Debt/Equity Ratio	2.5	3.4
Debt per Market Hog Equivalent	74.71	
3. **Profitability:**		
Return on Assets*	18.7%	
Return on Equity	48.6%	
Capital Turnover	1.46	
4. **Financial Efficiency**		
Interest as % of Revenue	4.0%	
Contribution Margin	20.2%	
Term Debt Coverage Ratio		

Production Analysis

(A) Cost Of Production	Total	Per Market Hog
Total Farm Expenses	562,466	136.14
Less: Other Income		
Plus: Adj. for Inventory Change	(38,925)	(9.42)
Return on Owners' Equity (@5%)	7,695	1.86
Unpaid Operator & Family Labour	14,438	3.49
Total Costs	545,674	132.08
Total Kgs. of Pork Produced (Kgs. L.W.)	410,285	99
Average Cost of Production ($/Kg. D.W.)	1.66	1.66

(B) Market Analysis		
Ave. D.W. per Market Hog	(Kgs)	80.16
Average Carcass Grade Index	(Kgs)	107.7
Average Market Price for Your Operation	($/Kg)	1.66
Market Return per Hog Marketed		132.87
Support Payment per Market Hog		8.09
Total Return per Market Hog		140.96
Average Total Return for Your Opreration	($Kg)	1.76

* Production Stock includes Weaners, Feeders and Breeding Stock.

(C) Feed Use			
Feed Cost/Kg Produced (L.W.)		($/Kg)	0.55
Feed Cost/100 Kgs of Gain (D.W.)		($/100 Kg)	69.11
Feed Cost/100 Kgs of Gain (L.W.)		($/100 Kg)	55.29
Feed Conversion - Starter & Grower		(Feed/Gain)	2.38
	Kgs. Per Hog	Dollars Per Hog	Cost Per Tonne Fed
Starter Ration	49	$13.99	
Grower Ration	188	$40.92	$288.17
Total Feed	**237**	**$54.91**	$217.72

(D) Labour		
Labour Person Equivalents	(#)	1.4
Production per Person (L.W.)	(Kgs)	303,915
Gross Farm Income per Person	($)	466,241
Net Income per Person Equivalent	($)	49,599
Market Hog Eqivlents Per Peson	(#)	3,060

* One PE (Person Equivalent) is equal to one full time person for one year.

Production Analysis

(E) Inventory			
Purchases of Weaners	(Hd)	4,224	
Feeder Hog Mortality	(Hd)	71	1.71%
Inventory Discrepency	(Hd)	(21)	
Market Hog Equivalents*	(Hd)	4,132	
Inventory Change	(Hd)	79	
Market Hogs Sold	(Hd)	4,045	

* Note:Market Hog Equivalents - Market Hogs Sold + Other Hogs Sold - Other Hog Purchases - Weaner Purchases + (Ending Inventory + Beginning Inventory) ÷ 2.

Cow-Calf Farm Business Management Analysis

Income Statement

	Total	Per Cow*	Per Lb. Sold**
REVENUE			
Feeder Calves	12,170	207	1.40
Back Grounded Cattle	3,068	52	7.86
Finished Cattle	14,429	246	0
Breeding Stock	4,896	83	0.28
Other Livestock	3,139	53	0.18
Crop Sales	6,704	114	0.38
Subsidies	3,257	55	0.18
Miscellaneous	1,825	31	0.10
Adjustment for Inventory Change	(4,231)	(72)	(0.24)
TOTAL REVENUE	45,257	771	2.55
VARIABLE EXPENSES			
Cattle Purchases	8,542	146	0.48
Feed & Supplements	2,976	51	0.17
Forge Purchases	1,146	20	0.06
Vet & Medicine	1,374	23	0.08
Breeding - AI	210	4	0.01
Breeding - Community Pasture	85	1	0.00
Crop Expense	7,770	132	0.44
Trucking & Marketing	402	7	0.02
Custom Cropping	202	3	0.01
Custom Work (Other)	1,875	32	0.11
Hired Labour	4,511	77	0.25
Machinery Repair and Maintenance	5,417	92	0.31
Truck Repair and Maintenance	1,559	27	0.09
Building & Fence Repairs	1,355	23	0.08
Utilities	914	16	0.05
Interest on Operating Loans	1,099	19	0.06
Miscellaneous	1,583	27	0.09
Property Taxes & Rentals	1,911	33	0.11
Insurance	1,213	21	0.07
TOTAL VARIABLE EXPENSES	$44,146	$699	$2.31
OPERATING MARGIN	1,111	72	0.24
Interest on Long Term Debt	3,648	62	0.21
TOTAL CASH EXPENSES	47,793	814	2.69
Minus Inventory Adjustment	(4,231)	(72)	(0.24)
NET CASH INCOME	$1,694	$82	$0.27
Depreciation	11,042	188	0.62
TOTAL EXPENSES	58,835	1002	3.32
NET INCOME (LOSS)	($13,578)	($231)	($0.77)

* Number of cows bred.

** Total weight of market livestock sold.

Balance Sheet

ASSETS	1995
CURRENT ASSETS	
Cash	2,434
Accounts Receivable	1,018
Inventory (Note 1):	
Livestock	9,604
Crops and Supplies	13,328
Other Current Assets	5,575
TOTAL CURRENT ASSETS	**$31,958**
LONG TERM ASSETS	
Breeding Stock	47,776
Machinery & Equipment (Note 2)	37,224
Land & Buildings (Note 2)	26,524
Other Long Term Assets	63,168
	1,665
TOTAL LONG TERM ASSETS	**$176,357**
TOTAL ASSETS	**$208,316**
LIABILITIES AND OWNER'S EQUITY	
CURRENT LIABILITIES	13,559
LONG TERM LIABILITIES	33,883
TOTAL LIABILITIES	$47,442
OWNERS' EQUITY	$160,874
TOTAL LIABILITIES AND OWNER'S	$208,316

Note 1: Livestock inventory includes all market livestock and animals retained for replacements. Crops and supplies inventory includes all feed, fertilizer and supplies. Inventory values are based on an estimate of Fair Market Value.

Note 2: Land is valued at original cost. All depreciable assets are valued at cost less accumulated depreciation or book value. The book values are taken from the Capital Cost Allowance (CCA) schedules in the income tax returns.

Management Analysis

(A) LIVESTOCK PRODUCTION					
Number of Cows Bred	(hd)	59	Weaning Weight (Note 1)	(lbs)	434
Calves Born	(hd)	33	Revenue Per Weaned Calf	($/hd)	582
Calving Percentage	(%)	0.66	Number of Cows Culled	(hd)	4
Number of Calves Died	(hd)	0	Culling Rate	(%)	14
% Calf Mortality	(%)	0.01	Breeding Stock Sold	(hd)	3
(B) LABOUR ANALYSIS					
Hired Labour (Note 2)	(PE's)	0.2	Total Hired Labour Expenses	($)	4423
Unpaid Family Labour (Note 2)	(PE's)	0.2	Hired Labour Expense	($/hr)	10.18
Number of Operators (Note 3)	(PE's)	1.1	Cows Per P.E.	(hd)	42
Total Labour Units	(PE's)	1.4			
(C) COST ANALYSIS					
Feed Expense Per Lb. Sold	($/lb)	0.20	Total Assets Per Cow Bred	($/hd)	3463
Crop Expense Per Lb. Sold	($/lb)	0.72	Fixed Expenses as a % of Revenue	(%)	38
			Variable Expenses as a % of Revenue	(%)	89
$\frac{\text{Feed Expense + Crop Expense}}{\text{Beef Sales + Crop Sales}}$	(%)	0.3	Operating Expense Ratio (Note 4)	(%)	95.6

Note 1: Weaning weight was determined by dividing total selling weight by the number of calves sold.

Note 2: One P.E. (Person Equivalent) is equal to 2600 hours of labour per year, i.e. 50 hours per week times 52 weeks per year.

Note 3: One operator was assumed to be equal to one person equivalent.

Note 4: Operating Expense Ratio $= \frac{\text{Net Income}}{\text{Gross Revenue}} \times 100\%$

Mink
Farm Business
Management
Analysis

Income Statement

	Total	Per Breeding Female*	Per Mink Produced**
REVENUE			
Pelt Sales (Note 1)	224,486	188.79	60.64
Breeding Stock	1,367	1.15	0.37
Other Mink Sold			
Feed Sales	2,162	1.82	0.58
Subsidies	94	0.08	0.03
Miscellaneous	2,928	2.46	0.79
Adjustment for Inventory Change	24,749	20.81	6.69
TOTAL REVENUE	255,786	215.11	69.09
VARIABLE COSTS			
Breeding Stock Purchases	3,329	2.80	0.90
Other Mink Purchased	514	0.43	0.14
Feed & Supplements	43,649	36.71	11.79
Vet & Medicine	1,182	0.99	0.32
Supplies	1,666	1.40	0.45
Marketing	12,283	10.33	3.32
On-Farm Pelting	4,987	4.19	1.35
Custom Pelting	6,086	5.12	1.64
Hired Labour (Non-Pelting)	21,873	18.39	5.91
Truck & Machinery - Fuel & Repairs	8,749	7.36	2.36
Building Repairs	4,615	3.88	1.25
Utilities	3,789	3.19	1.02
Interest on Operating Loans	5,107	4.29	1.38
Other Cash Operating Costs	2,644	2.22	0.71
TOTAL VARIABLE COSTS	120,473	101.31	32.54
CONTRIBUTION MARGIN (Note 2)	135,313	113.79	36.55
FIXED COSTS			
Term Leases & Rentals	41	0.03	0.01
Insurance & Taxes	1,953	1.64	0.53
Interest on Long-Term Debt	2,292	1.93	0.62
Depreciation	14,613	12.29	3.95
TOTAL FIXED COSTS	18,899	15.89	5.11
TOTAL COSTS	139,372	117.21	37.65
NET INCOME (LOSS) (Note 3)	116,414	97.90	31.45

* Number of females is determined by averaging the beginning and ending number of females.

** The number of mink produced equals total pelt sales + breeding stock sales + other mink sales + ending inventory of breeding stock and pelt carry over - beginning inventory of breeding stock and pelt carry over.

Note 1: All US dollars were converted into Canadian dollars using the actual exchange that the producer received at the time of payment.

Note 2: Contribution Margin: Total farm cash revenues less total farm variable costs. This is the amount available to cover fixed costs and profit.

Note 3: Net Income = Return to operator and unpaid family labour, management and equity capital.

Balance Sheet

ASSETS		
	1995	1994
CURRENT ASSETS		
Cash	5,176	13,869
Accounts Receivable (Note 1)	178,915	115,568
Inventory (Note 2)		
Mink, Pelts 12,696		
Feed 1,370	14,062	12,321
Other Current Assets	6,886	9,165
TOTAL CURRENT ASSETS	205,038	150,923
LONG TERM ASSETS		
Breeding Stock	115,300	92,291
Machinery & Equipment (Note 3)	48,355	45,488
Land, Buildings, and Pens (Note 3)	47,573	45,517
Other Fixed Assets	2,254	1,061
TOTAL LONG TERM ASSETS	213,482	184,357
TOTAL ASSETS	418,520	335,280
LIABILITIES AND OWNER'S EQUITY		
CURRENT LIABILITIES (Note 4)	71,572	57,687
LONG TERM LIABILITIES	93,210	87,609
TOTAL LIABILITIES	164,782	145,296
OWNER'S EQUITY	253,738	189,984
TOTAL LIABILITIES AND OWNER'S EQUITY	418,520	335,280

Notes:

Note 1: For purposes of this study, current income and expenses are recorded on an accrual basis. The pelts which were produced in the current year are sold at the sale the following year. These pelts appear as income in the current year and as accounts receivable at the fiscal year end. When payment is received for the pelts, it is debited to the cash account with a corresponding reduction in accounts receivable.

Note 2: Livestock inventory includes all pelts that were carried over from the previous year. Crops and supplies inventory includes all feed, and supplies on hand at year-end. Inventory values are based on Fair Market Value at fiscal year end.

Note 3: All depreciable assets are valued at "cost less accumulated depreciation", or book. Land is valued at its original cost or acreage x $200. per acre.

Note 4: Current Liabilities include all debts that are due within one year, including the current portion of long term debt.

Financial Analysis

Financial Measure		1995	1994
1. Liquidity:			
Current Ratio		2.86	2.62
Working Capital	($)	133,466	93,236
2. Solvency:			
Percent Equity	(%)	60.6	56.7
Debt to Equity Ratio	(%)	0.65	0.76
3. Profitability:			
Return on Assets	(%)	25.2	3.9
Return on Equity	(%)	40.7	2.0
Capital Turnover	(YRS)	1.64	2.02
4. Financial Efficiency:			
Interest as % of Revenue	(%)	2.89	1.74
Contribution Margin Ratio	(%)	0.53	0.20
Disposable Income	($)	108,569	42,627
5. Miscellaneous Financial Analysis:			
Total Assets ($ per breeder female)		351.96	281.96
Total Liabilities ($ per breeder female)		138.58	122.19

Management Analysis

Livestock Production					
Pelts Sold	(#)	3,341	Pelts Produced per Female	(pl/hd)	3.1
Breeding Stock Sold	(hd)	20	Breeder Females Housed	(hd)	1,189
Other Mink Sold	(hd)		Breeder Males Housed	(hd)	254
Number of Pelt Sales per Breeder Female	(pl/hd)	2.9	Females per Male Total Milk Produced	(hd) (hd)	4.7 3,702
Labour Analysis					
Hired Labour Units (2)	(PE's)	1.3	Hired Labour Expense	($)	25,626
Unpaid Family Labour Units	(PE's)	0.2	Hired Labour Wage Rate	($/hr)	7.79
Number of Operators (3)	(PE's)	1.2	Pelting Labour Expense	($)	3,753
Total Labour Units	(PE's)	2.6	Breeder Females Per Person Equivalent	(hd)	450
Milk Produced per Person	(hd)	1,401			

Analysis of Sales

Average Price Of:	
Dark Male Pelts	($)69.40
Dark Female Pelts	($)61.63
All Dark Pelts	($)65.58
Mutations	($)52.65
Breeder Pelts	($)60.78

Pelt Size As A Percentage of Total Pelts		
	Male	**Female**
(0/1)	43.7	0.0
2	6.6	0.0
3	0.6	39.1
4	0.1	9.3
5	0.3	0.5
Total	51.4	49.0

Pelt Quality			**Male**	**Female**
Male Pelts	(%) 49.6	Select Maj/BlGlama	72.1%	74.7%
Female Pelts	(%) 48.2	Majestic/Glama	12.0%	10.6%
Breeder Pelts	(%) 2.1	Mutations	1.8%	1.6%
Total	(%) 100.0	Standard/Low Grade	14.2%	13.1%
		Total	100.0%	100.0%

Net Cost of Production	**Per Farm**	**Per Female**	**Per Mink Produced**
Total Cash Expenses	124,759	104.92	33.70
Plus: Depreciation	14,613	12.29	3.95
Inventory Change (Feed, Supplies)	287	0.24	0.08
Interest on Average Equity @ 6.0%	13,312	11.19	3.60
Unpaid Family Labour	3,406	2.86	0.92
Operator Labour	25,257	21.24	6.82
Less: Other Income	5,090	4.28	1.37
Net Cost of Producing Mink	**176,544**	**148.47**	**47.69**

(1) The number of breeder males and the number of breeder females is determined by averaging the beginning and ending number of males or females kept for breeding.

Tree Fruit

Farm Business

Management

Analysis

Income Statement

	# Bushels	Total $'s	$'s Per Bushel	% of Total
Fresh Apple Sales	10,741	62,473	5.82	56.89
U-pick Apple Sales	283	2,180	7.70	1.99
Processed Apples	4,631	20,326	4.39	18.51
Juice/cider Apples	6,943	16,557	2.38	15.08
Total Apples Sales	**22,598**	**101,536**	**4.49**	**92.46**
Tripartite Stabilization Income				
Crop Insurance Income		0	0.00	0.00
Rootstalk/Tree Subsidies		798	0.04	0.73
Other Apple Subsidies		1,023	0.05	0.93
Misc. Apple Income		185	0.01	0.17
		964	0.04	0.88
Other Apple Revenue		**2,970**	**0.13**	**2.70**
Other Tree Fruits		2,338	0.10	2.13
Other Crops		2,473	0.11	2.25
Miscellaneous Income		502	0.02	0.46
Total Non-Apple Revenue		**5,313**	**0.24**	**4.84**
Total Farm Revenue		**109,819**	**4.86**	**100.0**

Statement of Expenses

	Total $'s	$'s Per Bushel	% of Total
Harvesting Labour	19,234	0.85	16.98
Other Labour	19,042	0.84	16.81
Spray: Herbicides	1,128	0.05	1.00
Insecticides	3,732	0.17	3.29
Fungicides	9,653	0.43	8.52
Other	1,111	0.05	0.98
Fertilizers & Lime	2,155	0.10	1.90
Containers & Bins	1,517	0.07	1.34
Rootstalk & Trees	3,222	0.14	2.84
Bee Rental	183	0.01	0.16
Other Orchard Expenses	1,173	0.05	1.04
Fuel & Lubricants	3,214	0.14	2.84
Tractor & Machinery Repair	4,407	0.20	3.89
Truck & Vehicle Expense	2,250	0.10	1.99
Building & Bin Repair	1,509	0.07	1.33
Custom Work & Trucking	2,328	0.10	2.06
Specialized Services	1,210	0.05	1.07
Rental Expense	1,619	0.07	1.43
Office Expense	586	0.03	0.52
Utilities	2,331	0.10	2.06
Crop Insurance	1,870	0.08	1.65
Other Insurance	2,064	0.09	1.82
Tripartite Premiums	331	0.01	0.29
Fees & Licenses	639	0.03	0.56
Property Taxes	856	0.04	0.76
Interest Expense: Operating	2,322	0.10	2.05
Interest Expense: Term	5,435	0.24	4.80
Miscellaneous Expense	2,870	0.13	2.53
Total Apple Related Expenses	**97,991**	**4.34**	**86.51**
Other Tree Fruits Expense	436	0.02	0.38
Other Crops Expense	220	0.01	0.19
Miscellaneous Non-Apple	546	0.02	0.48
Total Non-Apple Expense	**1,202**	**0.05**	**1.06**
Total Cash Expenses	**99,193**	**4.39**	**87.57**
Building Depreciation	3,974	0.18	3.51
Machinery & Equipment Depreciation	10,103	0.45	8.92
Total Depreciation	**14,077**	**0.62**	**12.43**
Total Farm Expenses	**113,270**	**5.01**	**100.0**

Balance Sheet

	Beginning $'s	Ending $'s
Current Assets		
Cash	$ (997)	$ 589
Apple Sales Receivables	28,380	
Supplies	2,538	34,027
Other Current Assets	1,634	325
		905
Total Current Assets	**$ 31,555**	**$ 35,846**
Term Assets		
Orchard Land	$ 48,169	$ 48,286
Other Land	29,093	30,064
Farm Buildings	39,007	39,021
Machinery & Equipment	46,177	40,703
Other Term Assets	2,971	4,133
Total Term Assets	**$165,417**	**$162,207**
TOTAL FARM ASSETS	**$196.972**	**$198,053**
Liabilities		
Current Liabilities	$ 24,519	$ 28,527
Term Liabilities	78,933	87,637
Total Liabilities	**$103,452**	**$116,164**
Owner's Equity	$ 93,520	$ 81,889

Income Summary

	Total $'s	$'s Per Bushel
Total Farm Revenue	109,819.00	4.86
Total Cash Expenses	99,193.00	4.39
Net Cash Income	**10,626.00**	**0.47**
Plus: Inventory Change, Supplies	(2,213.00)	(0.10)
Less: Depreciation Expense	14,077.00	0.62
Net Farm Income	**(5,664.00)**	**(0.25)**
1. Less: Cost for Unpaid Family Labour	1,589.11	0.07
Less: Interest on Equity @ 6%	5,262.27	0.23
2. Labour and Management Income	(12,515.38)	(0.55)

1. Unpaid family labour is charged at the farm rates for harvesting and other labour. Management labour was charged at $12 per hour.

2. Labour and Management Income represents the amount of income left the operator for his labour and management skills.

Net Cost of Production

Item	Total $'s	$'s Per Bushel
Total Cash Expenses	99,193	4.39
Less: Non-apple expenses	1,202	0.05
Total Apple Cash Expenses	97,991	4.34
Total Cash Revenue	109,819	4.86
Less: Non-apple Sales	5,313	0.24
Total Cash Sales (Apple Related)	104,506	4.62
Net Cash Return	6,515	0.29
Apple Cash Expenses Plus: Depreciation	14,077	0.62
1 (Supplies) Inventory Change	(2,213)	(0.10)
Interest on Equity	5,262	0.23
Unpaid Family Labour	1,589	0.07
Operator Labour	15,464	0.68
Equals: Net Cost of Producing Apples	132,170	5.85
Total Bushels of Apples Sold	22,598	1
Total Pounds of Apples Sold	949,131	42
Total Apple Sales	101,536	4.49
Net Return of Apple Sales	(30,634)	(1.36)
Plus: Crop Insurance & Tripartite	798	0.04
Total Sales Including Stabilization	102,334	4.53
Net Return Including Stabilization	(29,836)	(1.32)
Plus: Subsidy Income	1,208	0.05
Total Sales Including Subsidy	103,542	4.58
Net Return Including Subsidy	(28,628)	(1.27)
Plus: Miscellaneous Apple Income	964	0.04
Total Sales Including Miscellaneous	104,506	4.62
Net Return Including Miscellaneous	(27,664)	(1.22)

1. Ending supplies inventory less beginning supplies inventory.
2. Operator labour was charged at $12/hr. for management labour and $8/hr. for other labour.

Financial Analysis

			1995
1.	Liquidity:		
	Current Ratio		1.26
	Working Capital	$	7,319
2.	Solvency:		
	Percent Equity Ratio	%	41.3
	Debt to Equity Ratio		1.42
3.	Profitability:		
	Return on Assets	%	0.0
	Return on Equity	%	0.0
	Capital Turnover	Years	1.80
4.	Financial Efficiency:		
	Interest as of % of Revenue		7.06
	Disposable Income	$	16,061

Production & Management Information

Sales Information

Variety	Average $ Received Per Bushel
MacIntosh	5.46
Cortland	6.50
Ida Red (Fresh & Processed)	4.85
Gravenstein	5.61
Red Delicious	6.19
Northern Spy (Processed)	5.01
All Varieties (Fresh)	5.82

Yield by Variety

Variety	Bushels Produced	Bushels Per Acre
MacIntosh	6435	488
Cortland	1807	517
Ida Red	2114	526
Gravenstein	1373	450
Red Delicious	795	272
Northern Spy	1725	549

Labour Analysis

Operation	Total Hours	Hours Per Total Acres	Hours per Bin
Pruning - Summer	224	3.6	0.18
Pruning - Winter	1251	19.9	1.00
Mowing	217	3.4	0.17
Fertilizing & Liming	39	0.6	0.03
Spraying	280	4.4	0.22
Repairs & Maintenance	145	2.3	0.12
Harvesting	3305	52.5	2.63
Management	1043	16.6	0.83
Other	633	10.0	0.50
TOTAL	**7137**	**113.3**	**5.68**

Average Wage Rate

Operation	$/Hour
Harvest Rate	7.20
All Other Labour	10.25

Land Use Report

		Acres
Orchard in Apples		63.0
Orchard in Pears		1.4
Orchard in Other Fruit		0.5
Total Orchard		**64.9**
Cropland and Pasture		47.8
Woodland and Other		191.8
Total Land		**304.5**
Orchard in Apples, Bearing		49.42
Orchard in Apples, Total		63.01
% of Apples Acreage Bearing		78.43
Total Number of Trees		11,669
Total Number of Bearing Trees		7,601
Average Density on all Trees	Trees/Acre	185.19
Average Density on Bearing Trees	Trees/Acres	153.80
Average Age of Trees	Years	12.40

Apple Yields	**Bushel/B. Acre**	**Bushel/Tree**
Fresh Apples	223.07	1.45
Processing Apples	93.72	0.61
Cider/Juice Apples	140.49	0.91
Total	**457.27**	**2.97**